Secretariat (1931) Department.

19 SERIES.

G.O. No. 1560

DATED 27-10-1931

[Despatch Abstract.]

Industries - State Aid - Babu Raya of Panemangalore - Comb manufacturing industry - Loan of Rs. 50/- Sanctioned.

Dev-1252-II

DEPARTMENT. 24-4-31 U.F. 30.

Received 24 APR 1931 192 Registered 192

Subject.

State Aid - application from Babu Raya of Pane-Mangalore - submitting.

ENCLOSURES.
No.
Spare copies

No.S.A.34/30.

Station Madras, Dated the 16th April 1931. 192

From (Name) M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

I submit for the orders of Government copies of the marginally*noted papers in connection with an application for a loan of Rs.500 received from Babu Raya of Pane-Mangalore.

1. Application received from Babu Raya.
2. Note dated 18th March 1930 circulated to the members of the Board.
3. Extract of minutes of proceedings of the meeting of the Board of Industries held on 27th March 1931.

The applicant is a comb manufacturer carrying on the industry as a cottage industry, engaging three assistants. The applicant desires to transfer the industry to Mangalore where he expects that it will thrive.

2. The security for the loan is wet and dry land 4 acres

in extent standing in the name of the wife of the applicant. Her letter expressing her willingness to mortgage the land is enclosed in original. The Deputy Tahsildar Bantwal has valued the land at Rs.150/-. It might be a visable therefore to sanction a loan only up to this amount under Rule 24 (b) (iii) (Rule under portup)

3. The Board of Industries before whom this application was placed at the meeting held on 27th March 1931 has recommended unanimously the grant of a loan of Rs.150/- to the applicant.

4. I recommend the application for the favourable orders of Government. The applicant has proposed to repay the loan in monthl instalments of Rs.20 each. As annual repayment is alone allowed, vide Rule 19 - the loan may be made repayable in three annual instalments of Rs.50/- per year.

for Director of Industries.

Form of application for aid under the State Aid to Industries Act, 1922 (No.V. of 1923).

1. Name of applicant and his full address.

2. Nature of the industrial concern for which aid is sought.

3. The administrative, technical and executive staff existing or to be appointed with qualification

The facilities available for the development of the industry.

5. The nature of the processes to be employed.

6. Details of plant and machinery installed or proposed to be installed at the works.

7. The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished separately).

8. Approximate number of operatives employed or to be employed

9. Estimated net expenditure per annum in running the works.

10. Estimated net profits accruing.

11. Reasons why the business cannot be financed without State Assistance.

12. Nature and extent of State Aid applied for. (The particular clause of section 6 under which the aid is applied for should be stated)

13. Security offered:-

(a) If land,
(1) Survey No.

(2) Extent
(3) Assessment
(4) In whose name registered

(b) Nature and description of other security, if any offered

Nature and extent of the applicant's right in the concern whether as co-sharer or proprietor or otherwise and his financial resources

Nature and extent of the applicant's right to the property offered as security.

Nature and extent of encumbrances on the immoveable property offered as security - primary or collateral.

Whether any arrears are due on the immovable property offered as security - primary or collateral and if so, the nature and extent of such arrears.

Period within which and the number of instalments in which the applicant proposes to repay the loan.

Approximate additional net income expected to be earned as a result of the proposed expenditure.

If the application is from a Joint Stock Company, the amount of capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisites should be stated.

The application should also be accompanied by a copy of the prospectus and memorandum and the Articles of Association with a list containing the names and descriptions of the Directors.

Any other remarks.

Declaration:-- I Baboo Raya declare that the particulars made above are true to the best of my knowledge and belief.

A pro-forma profit and loss statement prepared by the applicant.

Expenses for a year.

1.	Raw materials for one year's work 250 mds. of horn at Rs.3/- per md.	Rs.750.
2.	Wages for 5 workmen at Rs.3 per day for 300 working days in a year	900.
3.	Cost of fuel for seasoning horn for a year	50.
4.	Cost of oil, polishing materials etc., for a year	50.
5.	Renewals and repairs to tools and sundry expenses	30.
6.	Supervision charges for a year at Rs.40/- a month...	480.
	Total	2,260

Receipts.

1.	With 250 mds. of horn 32,500 combs at 130 combs for a md. The cost of 100 combs at Rs.8/-	2,600.
2.	Shavings obtained from 1 md. of horn can be sold as manure for sugarcane plantation at As.8/-. Therefore for 250 mds.	125.
	Total	2,725.

The applicant will get a net profit of

Rs.2725-Rs.2260 --- Rs.465, plus supervision charges.

Note for the Board of Industries.

Application from M.R.Ry Babu Raya, son of Venkappa Nayak, Panemangalore for a loan of Rs.500/- under Section 6(a) of the State Aid to Industries Act for the development of his comb manufacturing industry.

Annexed is a copy of the application received from Babu Raya. The loan is proposed utilised as follows:-

(a) For purchase of raw materials..	Rs. 300.
(b) For purchase of tools e.g. saws chisels, drills, files, vice etc.	100.
(c) Advances to workmen	100.
	Rs. 500

The applicant proposes to repay the loan in instalments of Rs.20/- per mensem i.e. Rs.240/- per ~~mensem~~ annum. The loan may thus be repaid in a little over two years.

2. The security for the loan consists of about 4 acres of wet and dry land in Panemangalore. The land stands in the name of the applicant's wife and she has expressed her willingness to mortgage the land as security for the loan. The Deputy Tahsildar, Bantwal has valued the land only at Rs.150/

3. Although the applicant engages a few workmen to assist him in the manufacture of combs, the industry may reasonably be regarded as a cottage industry, within the meaning of the definition given to the term by Government. If this view is accepted, the security proposed in this case, will fall under Rule Sec.14 A of

the Act and rule 24(b)(iii) framed thereunder. In that event a loan up to the value of the security offered viz Rs.150/- only might be granted.

4. The Supervisor of Industries, Mangalore has inspected the concern and a copy of the pro forma profit and loss statement prepared by the applicant at the time of his visit is enclosed for the information of the Board. As will be seen therefrom, it is considered that the applicant would be able to realise a profit of Rs.465/- per annum besides the supervision charges amounting to Rs.480/- per annum. Although the prospects may not be quite so bright as represented there seems reason to expect that the concern might prove profitable, if properly managed. Samples of combs received from the applicant will be placed before the Board at the time of the meeting.

5. The applicant proposes to instal a hand driven button making machine for making button but with the amount of loan for which he may be eligible, he may not be able to develop the other industries.

Extracts from the minutes of the Proceedings at the twentieth meeting of the Board of Industries constituted under the Madras State Aid to Industries Act (Act V of 1923) held at the office of the Director of Industries, Chepauk, on Friday the 27th March.1931 at 3 P.M.

Present: Chairman: M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,

Members:

1. M.R.Ry Rao Bahadur M.K.Venkatachariar Avl.,
2. ,, Chandulal M.Kothari Avl., B.A.,L.L.B.
3. M.Muhammad Ismail Sahib Bahadur.
4. Dr.R.Nagan Gowda, Ph.D.,
5. Mr.G.H.Hodgson.
6. ,, D.N.Strathie, I.C.S., Registrar of Cooperative Societies.
7. M.R.Ry Sri Raja Venkataramayya Appa Rao Bahadur Garu, M.L.C., Zamindar of Mirzapuram, Nuzvid, Kistna district.

Secretary: Mr.L.B.Green, M.B.E.,

xx xx

The following applications were then considered:-

xx (H-3-4 above) xx xx

6. Application from M.R.Ry Babu Raya, son of Venkappa Nayak, Panemangalore for a loan of Rs.500/- under Section 6(a) of the State Aid to Industries Act for the development of his comb manufacturing industry.

Read note (H 6-7 above) by the Director of Industries dated 20th March 1931 and connected papers.

Resolved unanimously that the Board recommends the grant of a loan of Rs.150/- under Section 14(a) of the State Aid to Industries Act and rule 24(b)(iii) framed thereunder.

Dev. Dept.

G.M. No. 1252 II/31-1. A. 4. 5. 31

Ref: From D.I No. S.A. 34/30
dt 16.4.31. - State Aid -
application of Babu Raya
of Pane. Mangalore.

The D.I. is requested to ascertain and report at an early date, whether the applicant is willing to take a loan of Rs 150/- only as against Rs 500/ applied for by him.

4/5.

RL
4-5-31

4531

C. F. 98—2,30,993—10 10 28.

Develops. DEPARTMENT.

C.F. 98

REMINDER.

Industries Branch.

REPLY.

To THE Director of Industries

To THE Addtl. Secretary to Govt., Dev. Deptt.

12 JUN 31

The undersigned has the ~~honour to invite~~ is directed to invite ~~invites~~ attention to the communication noted in the margin and to request that this reminder may be returned at once with information as to—

No. 123-I/31. dated 4-5-31

(1) the stage at which the matter now is,

(2) the date by which a reply may be expected, and

(3) the circumstances which have caused the delay.

2. It is requested that the reply to this reminder may be sent not later than 16.6.31

Office of the Dev. Secretary. Signature.

Station ~~Fort St. George~~ Fort St. George Designation. Addtl. Secy.

Dated 6.6.31.

SUBJECT.

Re Application of the Raja of Panchapalle

Since Babu Raya Rig-- the valuation recently the Dy. C. orders landed property the Collr has been addressed t revise the valuation & on receipt of his reply, my report will be submitted will thereafter take a mat be proceeded with

D.O. 10/6

Please see the D.O.'s reply on the reverse. The next reminder may go on 15.7.31.

MK
12/6.

12/6/31

Remind
MK 16/7

C. F. 98- 2,30,693—10-1-28.

Development DEPARTMENT.

Industries Branch

REMINDER

To THE Director of Fisheries Madras

The undersigned ~~has the honour to invite~~ is directed to invite attention to the communication noted in the margin and to request that this reminder may be returned at once with information as to—

No. 1252 A/31 dated 4.5.31.

(1) the stage at which the matter now is,

(2) the date by which a reply may be expected, and

(3) the circumstances which have caused the delay.

2. It is requested that the reply to this reminder may be sent not later than 25.7.31

Office of the Dev. Secretary.

Signature.

Station ~~Fort St. George~~ for Under Secretary

Designation.

Dated 16.7.31.

SUBJECT

Fisheries - Application of Babu Raya of Panemangalore for loan

124 S.A. 34/30

(1237 A/31 dt. 24.7.31)

C.F. 93.

REPLY.

To ~~The~~ The Under Secretary,

Development Department.

M.R.Ry Babu Roya who was addressed as to whether he would be willing to take a loan of Rs.150/- against Rs.500 asked for represented that the Revenue authorities had under-estimated the value of the security offered by addressing it at Rs.150/- ~~since he purchased the land for Rs.350/-~~ since he purchased the land for Rs.350/- and that it has since been improved at a cost of Rs.500/- I therefore addressed the Collector of South Kanara as to whether, in view of the petitioner's representation, he wished to revise the valuation. The Collector reports that the Revenue Divisional Officer, Mangalore estimates the value of the property at not more than Rs.300/- The applicant has been addressed whether he would be willing to take a loan of Rs.300/- if sanctioned, as against Rs.500/-. On receipt

of his reply I shall submit ~~xx~~ my report.

Director of Industries in Charge.

Noted

15-8-31

29/7/31

16

Dev. 2494-II
128-31

C.F. 30.

DEPARTMENT.

Received ..... 19 *Registered* 19

Subject.

State Aid - Application of Babu Raya of Panemangalore.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. S.A.34/30.

Station Madras *Dated the* 10th August 1931.

From (Name) L.B.Green Esq., M.B.E.,
(Designation) Director of Industries in Charge,

To The Secretary to the Government of Madras,
Development Department.

Sir,

12.11. supra

Ref:Government Memorandum No.1252-II of 31-1 dated 4th May 1931.

M.R.Ry Babu Raya has expressed his willingness to take a loan of Rs.300/- as against one of Rs.500/- applied for by him. The applicant contended that the valuation of the land by the Revenue authorities was too low and a reference was made to the Collector who now reports that the Revenue Divisional Officer, Mangalore, estimates the value of the landed property at not more than Rs.300/-. If a loan of Rs.300/- is sanctioned, it may be made repayable in three annual instalments of Rs.100/- each.

Director of Industries in Charge.

G.M.10/8

Dev. Dept.

O.M. 1252 I/31-2 Dy. 19.8.31.

Ref: From the D.I. Letter No. S.A.34/30. Dy. 10.8.31. - State Aid - Application of Babu Raya of Panemangalore.

The Board of Industries recommended a loan of Rs 150/- only. The Director is requested to ascertain and report whether the applicant is willing to take a loan of Rs 150/-; and if he is not willing the Director is requested to will please place the matter again before the Board of Industries and invite their opinion as to whether they would recommend a loan of Rs 300/- in view of the revised valuation of the land by the estimate Revaluation of the R.D., Mangalore, of the land value of the land

259-31

C.F. 30.

DEPARTMENT.

Received ..... 19 *Registered* 19

Subject.

State Aid - application of Babu Raya of Panemangalore.

ENCLOSURES.
No. .....
.....
Spare copies .....

S.A. No. 34/30.

Station Madras *Dated the* 21st September 1931.

From (Name) L.B.Green Esq., M.B.E.,

(Designation) Director of Industries(in charge),

To The Secretary to the Government of Madras,

Development Department.

Sir,

Ref: Government Memorandum No.1252-II/31-2 dated 19th August 1931.

M.R.Ry Babu Raya states that he is willing to take a loan of Rs.150/- as recommended by the Board of Industries. A copy this letter is enclosed.

2. The Collector of South Kanara now reports that the land may be valued definitely at Rs.300/-.

Director of Industries(in charge

G.M.23/9.

Copy of letter dated 14th September 1931 from Babu Raya of Panemangalore

---

Your letter No.S.A.34/30 dated 4th September 1931 is to hand. Though I was originally told whether I was willing to take a loan of Rs.300/-, now the Board of Industries have recommended a loan of Rs.150/- I cannot but accept a loan of Rs.150/- to save an indigenous industry from extinction. Therefore I hereby state that I am willing to take a loan of Rs.150/- as recommended by the Board of Industries and also beg of you to see that I get the said loan at an early date. Expecting an early reply.

DD

Development department.

Application for State Aid to Industries -
Babu Raya of Pane-Mangalore - Rs. 500.
development of cmmb manufacturing
industry.
C.No. 1252 II.

To Asst. Secy.

Please see the application at pages 3-4- c.f. the note for the Board of Industries at pages 6-7 and the letter from the Director of Industries at pages 1-2 c.f. The Board of Industries considered the application at their meeting held on the 27th March last and unanimouslv resolved to recommend a loan of Rs. 150 under section 14-A of the State Aid to Industries Act and rule 24(b)(iii) of the rules framed thereunder. It is submitted that the loan may be sanctioned on the security of the lands belonging to the applicant's wife which she is willing to mortgage to Government as security. The loan may be made repayable in three annual instalments of Rs. 50 each.

2. Under rule 15-A of the rules framed under the Act the Govt. may exempt the applicant from taking out an insurance of the premises. The combs are not combustible and the assets of the business consist of inexpensive tools. Further, the main security for the loan is the land. It is therefore submitted that the applicant may be exempted from insuring the property. Similar exemption was grante in the case of the Kondapalli tpy makers. Vide G.O.Ms. No. 354 Dev., dated 9-3-1931. For orders whether the exemption may be embodied in the Draft order.

3. Funds. A provision of Rs. 50,000 has been made in the Budget estimates of R 1931-32 under 'Loans and Advances by Provincial Government-

Advances under Special laws - State Aid to Industries'
and the present loan may be met from this amount.

4. A draft order is submitted for approval. It may be sent to Finance for acceptance.

Before forwarding I submit that the applicant be asked to state whether he is willing to take a loan of Rs 150 which is all that could be given on the strength of the security which the firm can offer.

The amount is not altogether to his liking. The applicant has
The draft order below may be approved, if it be considered that the applicant needs be contacted.

Better Communicate the applicant. Please ask him to do so & report.

A.S.

Draft O.M. to the D.O. is submitted for approval.

Issue

(Issued as O.M. No 1252 H/31-1 dt 4.5.31) P. 11. CF.

(From the D.O. Letter No S.A.34/30. P. 16. CF. dt. 10.8.31)

To Under Secy.

Please refer the G.M. to the D.I. at P. 11. C.F. and the Director's report at P. 16. C.F. The applicant has not stated definitely whether he would accept a loan of Rs 150/- only. He however agrees to receive a loan of Rs 300/- and the D.I. states that the Rev. Divl Officer, Mangalore has estimated the value of the landed property possessed by the applicant's wife ~~can be interpreted~~ at not more than Rs 300/-

(For the previous valuation please see B at P. 6. C.F)

For orders whether the loan of Rs 300/- agreed to by the applicant will be sanctioned. If so, the draft order below, as altered in pencil, is submitted for approval. It may be sent to Finance for acceptance before issue.

[Boards recommendation is Rs 150/- only] 7.8.51

Funds: Out of the Budget allotment of Rs 50,000/- for loans under the State Aid to Industries Act, the Govt have till now sanctioned a loan of

The matter is again before the Board of Revenue in which their opinion as to whether they would recommend a loan of Rs 300 in view of the Revised valuation of the land. page 16 c.f.
The valuation of the R.D. is Rs 600 - not more than Rs 300 This seems unjust.

1891

To Under Secy.

~~Draft O.M. to the D.S.~~

is submitted for approval.

1891

After 1888 1888

To ~~Under~~ Secy.

Please see the Secy's orders ~~in pages above~~, the O.M. to the D.S. in D. 19.8.31 in p. 17 c.f. and the D.S's reply to it in p. 18 c.f.

3706 Exp
pp 3 & 4 S/O 31
p. 17. cf
p. 18. cf

The applicant has expressed his willingness to take a loan of Rs 150/- p. 19 cf.

The Collector of South Kanara has reported that the land may be definitely valued at Rs 300/- p 18 cf

The draft order below is for approval. It may be

ASST. SECRETARY TO GOVT. 5-OCT 1931 FINANCE DEPT.

The proposal is to sanction a loan of Rs.150 under Section 5(i)(a) of the Madras State Aid Industries Act, 1912, to one Babu Raya of Panemangalore in the South Kanara Dt for developing his comb manufacturing industry.

The D.I. has stated that although this applicant engages a few workmen to assist him in the manufacture of combs, the industry may reasonably be regarded as a cottage industry within the meaning of the definition given to the term by Govt.

2. The applicant first applied for a loan of Rs.500.

As the value of the security offered viz. about 4 acres of wet and dry land was originally estimated by the Dy.Tahsildar at only Rs.150, the Board of Industries have recommended a loan of only Rs.150. The applicant is willing to accept this amount.

The Collector has since reported that the land is worth Rs.300.

Submitted that the proposal may be accepted.

3. Funds. Out of the ~~There is a~~ lump provision of 50 lakh in the current year's budget for loans under the State Aid to Industries Act, a loan of .40 lakh has already been disbursed to Bodda Pydana & Sons of Vizianagram and in that connection H.M.C.4 has ordered that the total expenditure in the current ~~year~~ year should be restricted to the budget provision of 50 lakh.

4. Submitted that the draft order may be

To Under Secy:

Please see the fin. note above (P. 5. supra). The draft for order where below is for approval may issue

22.x.31. after circulation.

22/10/31

23/X

S.

23/10/31

M3

28/10/31

28/10

Sectt. II-5 (b)—15,006—5-11-29.

Development DEPARTMENT.

	Date.	Initials.
When received for Fair-copying.		
When copied ..	27/10	
When examined ..		
When signed ..		
When despatched ..		

Industries - State Aid - Babu Raya of Panemangalore - comb manufacturing industry - loan of Rs. 150 -sanctioned.

READ AGAIN G.O. No. ....., dated 15/27.10 19

" " " " ..... " 19

READ ALSO:—

C. No. 1252 II From the D.I. S.A., No. 34/30, dated 16-4- 1931. pp. 1-2 of.

" " ——— " " ——— " ——— " ——— 19

" " ——— " " ——— " ——— " ——— 19

ORDER. No. 1560, dated 27. x. 1931

Ms.

Under section 5(i)(a) of the Madras State Aid to Industries Act, 1922 (Act V of 1923), the Government are pleased to sanction the grant of a loan of Rs. 150 (one hundred and fifty only) to Babu Raya, son of Venkappa Nayak, of Panemangalore in the South Kanara dt., for developing his comb manufacturing industry subject to the following conditions :-

(a) Babu Raya and his wife should execute a mortgage deed hypothecating

to Government as security for the due repayment of the loan with interest the whole of the assets of the comb business and the wet and dry lands in Panemangalor standing in ~~her~~ the name of the latter;

(b) the loan shall be applied as working capital of the concern

(c) the loan will bear interest at 7½ per cent per annum, and shall be repaid on the equated payment system in three annual instalments, the first two instalments being ~~of~~ Rs. 57 each and the third instalment being Rs 59-0-9; the first instalment will be payable on the 1st April 1933 and the subsequent instalments on the 1st April of every following year until the loan with interest has been repaid. For the period in excess of twelve months intervening between the date of disbursement of the loan and the

(Finance U.O note ②)

above and the amounts of the annual instalments calculated thereon are provisional and may be revised, if necessary, if the Government decide to alter the rate of interest to be charged for such loans granted in 1931-32;

(d) the annual instalment shall b paid at the nearest Government treasury to the credit of Government

(e) Babu Raya should abide by all the provisions of the State Aid to Industries Act, 1922 (Act V of 1923) and the rules framed thereunder.

2. The loan will be disbursed in one instalment on the execution of the mortgage deed referred to in clause (a) of para 1 above.

3. The loan shall be disbused from the provision in the current year's budget under "Loans and Advances by Provincial Governments- Advances under special laws - State Aid to Industries.

above and the amounts of the annual instalments calculated thereon are provisional and may be revised, if necessary, if the Government decide to alter the rate of interest to be charged for such loans granted in 1931-32;

(d) the annual instalment shall be paid at the nearest Government treasury to the credit of Government

(e) Babu Raya should abide by all the provisions of the State Aid to Industries Act, 1922 (Act V of 1923) and the rules framed thereunder.

4. The loan will be disbursed in one instalment on the execution of the mortgage deed referred to in clause (a) of para 1 above.

3 The loan shall be disbursed from the provision in the current year's budget under "Loans and Advances by Provincial Government- Advances under special laws - State Aid to Industries.

Telephonic Message dated 7-11-31 from the Director of Industries

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Ref:- G.O.No.1560(Ms)Dev., dated 27-10-31.
State Aid - Loan of Rs.150/- to Baburoya of Panimangalore.

In the order it is stated that the loan has been sanctioned "under section 5(1)(a) of the Madras State Aid to Industries Act." I presume that the "(a)" is a clerical error for "(c)" in which case there will be no need for the concern to be insured vide proviso to clause (d) of Rule 24 of the Rules framed under the act.

one in the locality.

The proviso to clause (d) of rule 24 of the rules framed under the State Aid to Industries Act runs as follows:- P 15. of the Act (Cont dtp) marked in red ball

"provided that in the case of any industrial business or enterprise with a capital outlay not exceeding five hundred rupees it shall not be necessary, unless the Director of Industries for special reasons otherwise directs, to insure the properties mortgaged to Govt against loss or damage by fire" is not

The criterion for exemption from insuring the properties mortgaged to Govt is that the capital outlay of the industry should not exceed five hundred rupees In the present case, the capital outlay does not exceed Rs 500/- and it is therefore exempt from insurance. Else, the owner should get specially exempted. Govt under rule 5-A(1) On the other hand, industries are not free from insurance merely

on the ground that they are Cottage Industries The statement at A (a) ~~above~~ in the telephone message is thus not understood The Director may be Consulted A draft telephone message is submitted for approval.

16/11

Telephone message 8.11.31

To the Director of In dustries.

Your telephone message regarding G.O.No. 1560 Dev., dated 27-10-1931.

Cottage industries as such are not exempt from insuring the properties mortgaged to Government. The proviso to clause (d) of rule 24 exempts only such industries whose capital outlay does not exceed Rs. 500. In the case of Babu Raya, the capital outlay of the concern does not exceed Rs. 500. Vide col. 7 of the application forwarded with the Director's letter No. S.A. 34/30, dated 16th April 1931. (which amount presumably includes the Rs. 500 applied for by Babu Raya.

I am to enquire how the sanctioning of the loan under section 5(1)(a) of the Act has prejudiced the case.

Reply, dated 27th Novr. 1931

Please see my letter No. S.A. 34/30, dated 16th April 1931 to Government and my note circulated the Members of the Board of Industries dated 18th March 1931 The inddstry was stated to be carried on as a cottage industry and it was therefore thought that it would be held to come under section 5(1)(c) of the Act particularly as the manufacture of combs from horn is not a new or nascent industry it being carried on in several parts on a very small scale though not on any organised basis.

Development department.

To under Secretary

In his telephone message at page 1 supra the Director of Industries stated that if the loan had been sanctioned under section 5(1)(c) of the Act there would be no need for the concern to be insured with reference to the proviso to clause (d) of xxx rule 24 of the rules framed under the Act. It was already pointed out that cottage industries as such are not exempted from insuarance.

The Director contends that the industry should be regarded as a cottage industry. The term 'Cottage industries' was held to refer to 'industries carried on exclusively for the benefit of, and by, workers in their own homes and not to industries carried on for benefit of middlemen though the workers happen to

work not in factories but in their own cottages'. Babu Raya proposes to employ in his concern about 25 workmen and the benefit of their work will go to Babu Raya. The industry cannot therefore be called a cottage industry, and a loan cannot be sanctioned to Babu Raya as such. The loan is admissible only if it is ~~xxxxxxxxx~~ deemed a new industry. The Director states that the industry is carried on in several parts on a very small scale though not on an organised basis. It is therefore submitted that the loan has been correctly sanctioned under section 5(1)(a) of the Act.

For orders whether the Director of Industries may be informed accordingly.

1/12

Dev. Dept

T. M.

Issue
31.12.31 for Renewal
31.12.31

From W.S. Dev. Dept

To The D.S.

Issue
31.12.31

P 4 N F

Reminded
7.1.32

Re your T.M. No. 27.11.3 re the order granting the State aid of Rs 150/- to Baba Royal Cinema Co. Ltd. and ~~am~~ drawing attention to the presumption expressed in my T.M. No. 16.11.31 that the Capital outlay of Baba Royal Industrial Concern does not exceed Rs 500/- is correct:

A at P.3 N.F.

2/12

kr
2.12.31

Zaki
9.1.32

O.F. 804 4,180 Bks.—10-11-30.

OFFICE OF THE _____

Dated _____ 193

_____ Hour _____ Minutes

TELEPHONIC MESSAGE

From Dr D.

To Dr S. Dev. Secy.

Ref. your C. on. of the 3rd inst. re. State aid of Rs 150/- to Bala Rya

Your presumption is correct.

B
8/12/31

Dev. Dept.

T. M

pl. Draw
9/12/31

P 1 IF
P 2 in V.

C-D B
pl. Dem
P.C
9/12/31

G at p 8 on (I)

Your T. M. D. 7.11.31. Re. G.O. No. 1560 Dev D. 27.10.30. granting a loan of Rs. 150/- under the State Aid to Industries Act. to Babu Roya

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As Babu Roya proposed to employ in his concern about 25 workmen and benefit of this would will go to Babu Roya the industry cannot be called a Cottage industry as defined in G.O. No. 178 Dev D. 3.2.2 The loan is admissible only if it is deemed a new Industry as far as the local area is concerned Hence it was sanctioned